



House of Representatives

General Assembly

File No. 422

January Session, 2015

House Bill No. 6952

House of Representatives, April 2, 2015

The Committee on Insurance and Real Estate reported through REP. MEGNA of the 97th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

**AN ACT PROHIBITING CERTAIN LIFE INSURANCE POLICY
EXCLUSIONS FOR ACTIVE MEMBERS OF THE ARMED FORCES
AND THE NATIONAL GUARD.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-430 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2015*):

3 (a) No life insurance or annuity policy or contract shall be delivered
4 or issued for delivery to any person in this state, nor shall any
5 application, rider or endorsement be used in connection therewith,
6 until a copy of the form thereof shall have been filed with and
7 approved by the commissioner. The commissioner shall adopt
8 regulations, in accordance with the provisions of chapter 54,
9 establishing a procedure for review of such policies and contracts. The
10 commissioner shall issue an order disapproving the use of any such
11 form at any time if it does not comply with the requirements of law, or
12 if it contains a provision or provisions that are unfair or deceptive or
13 that encourage misrepresentation of the policy. The commissioner

14 shall specify the reason for the commissioner's disapproval. The
15 provisions of section 38a-19 shall apply to any such order issued by the
16 commissioner.

17 (b) No life insurance or annuity policy or contract shall be delivered
18 or issued for delivery to any individual in this state known to be an
19 active member of the armed forces, as defined in section 27-103, or of
20 the National Guard, nor shall any application, rider or endorsement be
21 used in connection therewith, that excludes coverage if the insured's
22 death is related to war, declared or undeclared, or any act related to
23 military service except for an accidental death coverage such as double
24 indemnity, which may be excluded.

25 [(b)] (c) Nothing in this chapter shall preclude the issuance of a life
26 insurance policy or contract including, but not limited to, a long-term
27 care policy as provided in section 38a-458, that includes an optional
28 health insurance rider, provided the optional health insurance rider is
29 filed with and approved by the Insurance Commissioner pursuant to
30 section 38a-481. Any company offering such policies for sale in this
31 state shall be licensed to sell health insurance in this state pursuant to
32 the provisions of section 38a-41.

This act shall take effect as follows and shall amend the following sections:

Section 1	October 1, 2015	38a-430
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INS *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note***State Impact:*** None***Municipal Impact:*** None***Explanation***

The bill prohibits certain exclusions in life insurance policies. As this concerns private insurance transactions, there is no state or municipal fiscal impact.

The Out Years***State Impact:*** None***Municipal Impact:*** None

OLR Bill Analysis**HB 6952*****AN ACT PROHIBITING CERTAIN LIFE INSURANCE POLICY EXCLUSIONS FOR ACTIVE MEMBERS OF THE ARMED FORCES AND THE NATIONAL GUARD.*****SUMMARY:**

This bill codifies existing Insurance Department regulations that generally prohibit issuing or delivering a life insurance or annuity policy, contract, or certain related documents to anyone known to be an armed forces member that eliminates or otherwise reduces an insurer's liability if the insured's injury or death results from war (also known as war-risk exclusion clauses) (Conn. Agencies Reg. § 38a-819-74(h)(5)).

Under the bill, a policy, contract, and any related application, rider, or endorsement cannot exclude coverage if the insured's death is related to (1) a declared or undeclared war or (2) any act related to military service. But the bill allows them to exclude accidental death coverage such as double indemnity (i.e., paying a multiple of the policy's value if death results from an accident).

The bill applies to documents issued or delivered to anyone known to be an active or reservist member of the Army, Navy, Marine Corps, Coast Guard, Air Force, or active National Guard member.

EFFECTIVE DATE: October 1, 2015

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 18 Nay 0 (03/17/2015)